

# What They Are Saying: HRSA 340B Rebate Model

## September 2025

### ADAP Advocacy

"The 340B Program has become **a cash cow for the program's Covered Entities**, with too many big hospital systems and mega services providers abusing it. **Patients are being left behind**, evidenced by data estimates showing that people in the United States owe at least \$220 billion in medical debt. We support a robust 340B Program, but one that puts the patients ahead of the providers."

– [Brandon M. Macsata, CEO, ADAP Advocacy](#)

"HRSA's threat to remove manufacturers from the 340B program—and thereby cut off Medicare and Medicaid patient access to their drug therapies—was **a recklessly anti-patient act**. Sadly, it showed that HRSA cares more about protecting covered entities that engage in diversion, duplicate discounts, and that fail to share 340B pricing with patients than it does about patient access to desperately needed medications."

– [William Sarraile, Special Counsel, ADAP Advocacy](#)

"The public should know how the billions in 340B profits that flow to 340B hospitals are being used and whether program protections against duplicate discounts and diversion are being honored. **Failing to strictly prohibit duplicate discounts across other discount drug programs encourages abuse and dramatically increases wasteful spending** for states and the federal government. Patients in need, the very people that the 340B program was designed to help, should understand when large hospitals profiting from the program are sharing 340B pricing with them—and when 340B hospitals refuse to share that pricing."

– [Brandon M. Macsata, CEO, ADAP Advocacy](#)

### American Action Forum

"Consolidating CMS' broader health care financing and data infrastructure with 340B oversight may lead to a **more unified regulatory framework, a reduction of redundancy, and an enhancement of program alignment with broader federal payment systems**. While – as previously noted – there is nothing in the budget to suggest an imminent change, this reorganization does provide for some potentially impactful program updates."

– [Michael Baker, Director of Health Care Policy, American Action Forum](#)

## Autoimmune Association

“The rebate model will help distinguish legitimate safety-net providers – particularly community health centers and federal grantees who are required by law to reinvest 340B revenue into patient care – from entities that may be accessing 340B discounts without extending meaningful benefits to underserved patients. **This distinction is crucial for ensuring 340B dollars support the patients the program was intended to serve**, rather than flowing into large health systems, chain pharmacies, and pharmacy benefit managers that may not prioritize making care affordable.”

– [Molly Murray, President and Chief Executive Officer, Autoimmune Association](#)

## Citizens Against Government Waste

“To improve and reform the 340B program, CAGW has recommended that Congress establish **a clear definition of a patient** as an uninsured, low-income individual who does not qualify for Medicare or Medicaid, providing better verification of patient eligibility when a prescription is filled, establishing a clear relationship between the patient and covered entities (CEs) verifying that services were provided within the past 12 months, **eliminating duplicate discounting with improved oversight, revising reporting requirements, and increasing transparency to make it clear how hospitals are using 340B funds.**”

– [Thomas Schatz, President, CAGW](#)

## Community Access National Network

“The success of ADAP rebate models over decades makes HRSA's pilot approach particularly puzzling and, frankly, wasteful. Rather than conducting an unnecessary pilot, the agency could focus resources on codifying a permanent rebate-based structure informed by ADAP experience for medications subject to the 340B program.”

– [Travis Manint, Strategic Communications Director, CANN](#)

“The rebate model is not a novel or untested idea. ADAPs have proven for decades that **rebate mechanisms can be effective, transparent, and fully compliant with the statutory protections of the 340B program.** These systems already safeguard against duplicate discounts and maintain patient access without the need for up-front discounts—proving that prospective pricing is not the only viable method.”

– [Kalvin Pugh, Director of State Policy, 340B, CANN; Jen Laws, CEO, CANN](#)

## Community Oncology Alliance

“COA implores this Court to recognize that hospitals and PBMs have essentially created a **for-profit sub-market facilitated by an almost total lack of transparency surrounding 340B**. This is precisely the reason those actors are fighting the use of rebates so intensely.”

– [COA Amicus Brief in 340B Program Rebate Model Dispute Appeal – Novartis and Bristol Myers Squibb](#)

## **Cystic Fibrosis United**

“As patients we must produce our bank statements to apply for charity care, **why are we not demanding even a fraction of that level of transparency from our hospitals?**”

– [LinkedIn Post, February 2025](#)

“The experiences of cystic fibrosis patients and other rare disease communities illustrate the urgent need for reform. The **current system leaves many of us—who are already battling life-threatening conditions—burdened with insurmountable medical debt**, often without being informed of available financial assistance.”

– [Amanda Boone, Co-Founder, CF United](#)

## **MANA, A National Latina Organization**

“The reality is that hospitals abuse 340B and divert savings away from patients. **Large hospital systems and their for-profit partners generate billions in revenue annually from the program, often without evidence that patients benefit.**

Meanwhile, community clinics and smaller providers that serve Latino neighborhoods frequently struggle to keep their doors open.”

– [Amy Hinojosa, President and CEO, MANA](#)

## **National Alliance of Healthcare Purchaser Coalitions**

“Lowering healthcare costs, including by reducing the cost of prescription drugs for uninsured, low-income, and vulnerable patients, is a commendable goal.

Unfortunately, **the unconstrained growth of the 340B program has frustrated its original aims**, owing to an increase in the number of covered entities, a pervasion of third-party involvement, and supercharged consolidation throughout the healthcare system. **340B is woefully lacking in transparency.** Johnson & Johnson’s proposal to offer 340B drugs through a rebate model is a reasonable step in the direction of better transparency and accountability.”

– [Shawn Gremminger, National Alliance President and CEO](#)

“Because 340B provides no direct relief to people in the commercial market, every prescription filled through 340B represents increased costs to employers and working families. **Unfortunately, the opacity of the program’s current design makes it impossible for employers to know how many of their covered lives are having their drugs filled through 340B.** The rebate pilot program – if properly designed and enforced – holds promise in providing sunlight to employers struggling with their prescription drug spending.”

– [Shawn Gremminger, National Alliance President and CEO](#)

## **National Minority Quality Forum**

“When hospitals receive a 340B manufacturer discount and a rebate from Medicaid for the same drug purchase, this is defined as a “duplicate discount,” which is prohibited by statute. **The lack of reliable claims-level data within 340B makes these duplicate discounts difficult to detect.** In 2021, the total value of duplicate discounts was estimated at up to \$25 billion -- over a quarter of total 340B sales. The 340B rebate model pilot offers a solution.”

– [Gary Puckrein, CEO, NMQF](#)

## **Trade Alliance to Promote Prosperity**

**“U.S. policymakers should scrutinize bureaucratic excesses and mandates, including the 340B program,** that hinder innovation while failing to provide drug cost relief to American patients. Policymakers must reject any policy that would impede private companies’ ability to engage in biomedical research and to serve American patients as effectively as possible.”

– [Kent Keiser, Ph.D., Executive Director, Trade Alliance to Promote Prosperity](#)